

THE DEPARTMENT OF STATE BULLETIN

APRIL 3, 1943

VOL. VIII, No. 197—PUBLICATION 1913

Contents

	Page
THE WAR	
United Nations Conference on Food and Agricultural Production	271
Address by the Former American Ambassador to Japan .	272
What Lies Ahead in Foreign Relief and Rehabilitation? Address by Luther Gulick	274
Visit of Herbert H. Lehman to London	279
Visit to the United States of the British Secretary of State for Foreign Affairs	279
COMMERCIAL POLICY	
Post-War Commercial Policy of the United States: Address by the Under Secretary of State	280
THE DEPARTMENT	
Appointment of Officers	285
PUBLICATIONS	285
LEGISLATION	286



1934 W. 10th St. S. Minneapolis, Minn.

Dear Mr. [Name]:

I have your letter of the 10th inst. and am glad to hear from you.

I am sorry that I cannot give you a more definite answer at this time.

I am sure that you will understand my position.

I am sure that you will understand my position.

I am sure that you will understand my position.

I am sure that you will understand my position.

I am sure that you will understand my position.

I am sure that you will understand my position.

The War

UNITED NATIONS CONFERENCE ON FOOD AND AGRICULTURAL PRODUCTION

[Released to the press for publication March 30, 9 p.m.]

The Department of State released for publication on March 30 the text of the invitation to a United Nations conference on food and other essential agricultural products. The invitation is being extended by the Government of the United States to the United Nations and those nations which are associated with them in the war. The invitations were transmitted through usual diplomatic channels.

The text of the invitation follows:

"The Government of the United States of America is of the opinion that it is desirable now for the United Nations and those nations which are associated with them in this war to begin joint consideration of the basic economic problems with which they and the world will be confronted after complete military victory shall have been attained. Accordingly, and as a first step in this direction, the Government of the United States proposes to convene, on April 27 at some suitable place in the United States, a conference on food and other essential agricultural products, and hereby invites the Government of ——— to send to that conference a small number of appropriate technical and expert representatives.

"The purpose of the conference is to provide an opportunity for an exchange of views and information with respect to the following topics and for exploring and seeking agreement in principle as to the most desirable and practi-

cable means and methods of dealing with the following problems:

"Plans and prospects of various countries for the post-war period regarding production, import requirements or exportable surpluses of foodstuffs and other essential agricultural products, with a view to improving progressively in each country the levels of consumption within the framework of the opportunities and possibilities of an expansion of its general economic activity. Such consideration will be entirely divorced from the question of the provision of relief.

"Possibilities of coordinating and stimulating by international action national policies looking to the improvement of nutrition and the enhancement of consumption in general.

"Possibilities of setting up international agreements, arrangements and institutions designed to promote efficient production of foodstuffs and other essential agricultural products and to ensure for the world adequate supplies of such products with due consideration to the attainment of equitable prices from the viewpoint of both producers and consumers.

"Commercial, financial and other arrangements which will be necessary in order to enable the countries of the world to obtain the foodstuffs and other essential agricultural products which they will need and to maintain adequate markets for their own surplus production."

ADDRESS BY THE FORMER AMERICAN AMBASSADOR TO JAPAN¹

[Released to the press April 11]

One year ago I was in Tokyo. The Chinese and British were at that time still fighting the first campaign of Burma. Americans and Filipinos were holding out on Bataan; and elsewhere in the Philippines they were still hitting hard at the Japanese. But the Japanese military and naval machine had already uncoiled its terrible power across the tropics, and in Australia Port Darwin was being bombed from the air.

I remember that period as a time of waiting for us who were besieged, as it were, in the American Embassy in Tokyo; and now I realize that the world was waiting. The Japanese had done that which many of us thought could not be done; they had swept British, Dutch, and American power aside in their mighty southward thrust. Everywhere men wondered how soon our fleets, armies, and air forces would return to Singapore and Manila, to Rangoon and Hong Kong, rolling up the map of Japan's conquests as swiftly as the Japanese had unrolled it. Most particularly, the scattered defensive soldiers of the United Nations in the Far East held on and hoped for relief: some thought it would come in weeks; some, in months. Many of those men are now dead; others are prisoners of the Japanese, and they must listen to the enemy's boast that help can never get through waters made deadly to us by the Imperial Japanese Navy; still others escaped and are now participating in the globe-circling rim of pressure which Chinese, British, Dutch, Philippine, and American power has built around Japan. The vast perimeter of Japan's conquests is confined and is beginning to shrink; we have reached the end of the beginning of this war.

We have done tremendous things. We have taken a world war and turned it around. What was a war against peace has become a war against aggression. The darkest period of

China's long agony has gone forever. The blitz which imperiled London now imperils Berlin, Bremen, Turin, and a score of other enemy cities. Never again will free nations fall like autumn leaves in a great storm of violence and wrath.

The initiative has passed to us, but it is now our responsibility to use that initiative. We cannot assume that the enemy no longer hopes to win. We cannot count on the Germans and Japanese to give up because they see what we can do or might do. If they had been that kind of men, they would not have started the war in the first place. They are still fighting because they still hope to win—still hope to inflict on us some terrible, incalculable, mortal injury; or, at the worst for them, they still hope to wear us down until we are resigned and weary and thereupon to cheat us out of our victory by a false peace.

The fact that Germany and Japan are now relatively weaker than they have been should not make us less vigorous or more complacent. Rather, we should be more on our guard than ever before. We know that the Hitlerites and the militarists of Japan are ruthless men; now we are beginning to trap them and to make them desperate. Instead of being less dangerous, they have become more so. The surer they are of their own defeat, the more cunning, savage, and novel will be their expedients to escape that defeat. Let us not be fooled by the vanity peculiar to war—by the assumption that victory is so sure that we no longer need impose on ourselves the iron discipline, the unrelenting self-sacrifice, the unshaken unity of the first hours of danger. Now, more than ever before, we have the real work of war ahead of us.

We are all in this war—some of us in uniform and some not. Modern war knows no frontiers and no limits. If we at home, who are the combatants of the industrial and armaments front, fail to do our duty, we shall be bringing death upon our own men in uniform overseas. There can be only one standard of sacrifice, of work, of devotion in this war: *the utmost from each and every one of us, all the time.* The

¹ Delivered by the Honorable Joseph C. Grew, who is now Special Assistant to the Secretary of State, before the Phoenix Club of Baltimore, Md., and broadcast over the Mutual Network, Apr. 1, 1943.

Germans think of us Americans as degenerate; the Japanese fanatics consider us wilful, pampered, and decadent. We are all objects of their attack, and we are fighting enemies who exert their maximum strength. None of us can be a part-time fighter or a part-time patriot. The reality of the bombing plane hovers in the offing; the only reason that Baltimore is not a heap of ruins, smelling of death and ashes, is the power of the British and American fleets and air forces. Otherwise, the Germans would have blasted and ravaged this city—men, women, and children; factories, shops, homes, and churches; everything indiscriminately—as they did Coventry. We can escape being killed by our enemies only by keeping them preoccupied with meeting our forces over their own soil.

In this universal, all-comprising war we must all be good soldiers. The first lesson of warfare—you can see it in Sun Tzu, the Chinese strategist, or Caesar, the Roman, who wrote on war long, long ago—is discipline. We must give and take orders. We must decide what to do and then organize ourselves to do it. War cannot be conducted on a town-meeting basis. Modern war has added immeasurably to the disciplines required of the fighters, since modern war is a complex process with raw materials—crops, mines, forests—at one end and with the mass-production of destruction at the other. When this process is set to go a given way, the dictates of modern strategy require that the plan be followed. The Japanese did not improvise their conquest of southeastern Asia. They organized and planned for months, years, even generations before they struck. The evidence of foresight, calculation, and planning became everywhere manifest.

We too can plan. You have heard the broad outlines of our plan from the President of the United States and the British Prime Minister. You have seen the evidence of that plan in the Atlantic and in North Africa. You have watched it unfold. You have seen parallel, integrated plans developing along the Don and the Donets, in China, in Burma, and in the south Pacific. We must fight in all parts of the world, since the enemy, by starting the war, chose the areas of aggression; and to fight in all

parts of the world we must plan for one war throughout the world.

It is impossible to plan for a war against Germany apart from Japan, or vice versa. To be successful we must unify our forces and fight our one great war, the war which covers the world. *Japan* is at this moment being defeated in Tunisia, just as *Germany* suffered a setback on Guadalcanal. It is not the partnership of a reciprocal loyalty which binds the Germans and the Japanese together. It is the companionship of a common doom. Neither of them can escape ruin singly. When one falls, the fall of the other will follow. If one wastes our power, the other profits by the waste; if one yields ground, the United Nations have just that much more force to turn against the other. Japan and Germany started each of the many beginnings of this war; Japan and Germany corrupted their own peoples with militarist racialism; and Japan and Germany are inseparable in infamy.

Hence I exhort you to fight Japan and Germany here at home so that our soldiers can fight Japan and Germany in the Mediterranean, in North Africa, over Berlin, can fight Germany and Japan in China, in Burma, and in the Pacific. I call to you, as I have called in all my utterances since coming out of internment in Japan, for an ever greater war effort, because what you at home do—or fail to do—has many simultaneous effects on all theaters of war. You, the people at home, are the ultimate force behind all fronts. We fight both Germany and Japan, no matter which we engage in battle or where we send our materials and our men.

From this one truth another truth is plain. Whoever fights Germany and Japan is our friend and our ally. The fight for Stalingrad is our struggle and our victory. When the Red Army destroys Germans it helps us. The British public, which has become grimly realistic, is enthusiastic about Russian victories; the most hard-headed British businessmen hail and salute the Soviet forces unreservedly as Britain's allies; the British people resent and ridicule the Nazi attempt to split the Soviet Union from themselves and us. The inconsistency of this Nazi attempt is shown by the fact that the Germans talk about "the Bolshevik menace"

only when it suits their purposes. We too should remember that the bogey of Bolshevism is raised by Goebbels only when the Germans are losing; when Germany is winning, the Nazis shift the emphasis to the rich farms, factories, mines, and cities they have stolen from Russia.

Whoever fights Germany is our friend and our ally and is deserving of our respect, confidence, and trust. I say this to you as a matter of hard common sense, learned or confirmed in almost 40 years of diplomacy. I am not a dreamy idealist, you may be sure; but I am in-

sistent on the reality of our common cause with the Soviet Union, and I am opposed to any attempt—Nazi or domestic—to undermine that common cause.

The United Nations fight a single war. We fight a single enemy: the militarist fanaticism engendered by cultivated racial superstitions and inflated national arrogance. We fight on a single field: the whole world. And the Governments and people of the United Nations must and will achieve a single victory and a single peace, in which liberty, security, and prosperity will become the common possession of all men.

WHAT LIES AHEAD IN FOREIGN RELIEF AND REHABILITATION?

Address by Luther Gulick¹

[Released to the press March 29]

I appreciate the opportunity of coming here to meet with you and to review the problems which lie ahead in foreign relief and rehabilitation. I am glad to be here, first of all, because you represent a very special group of our people who have demonstrated over many years how business brains and humanitarian charity can together reach across the barriers of sea and land and political frontiers in ministering to human need. If I may say so, I think the secret of the success of the relief work done abroad by the Friends is found not in their undoubted ability in organization and business management—others have that too; not in the impressive amounts they have raised—others have done that too; not in the number of workers they have enlisted—others have used more; but in the devotion and personal modesty of the top officers and the humility and humanity of the rank and file of the whole organization. Those who enter foreign relief in order to sit at the head table at home and to build a "big"

organization are, whether they know it or not, dealing not with relief but with the struggle for prestige and power.

The world-wide need for relief and rehabilitation which now lies before us presents a task which will be done well or ill precisely in proportion to the freedom from institutional ambition with which the work is inspired from beginning to end.

The subject you have asked me to discuss tonight sounds over-ambitious. I must assure you that I have no intention of foretelling the future course of events or presenting a timetable of the war. Nor can I present a statement of the policies which will be followed or of the solutions which will be found for all the difficulties. This also reaches into the future in a way that is beyond my powers. What I propose to do is, rather, to state certain of the major problems with which we shall be confronted as we see them at this early date. The wisdom and help of your experienced leaders can be of tremendous assistance in developing the most promising approaches to the way out.

What I shall do this evening is, therefore, to turn your thinking to three aspects of foreign relief and rehabilitation:

¹ Delivered before the Friends' Peace Committee, Philadelphia, Pa., Mar. 29, 1943. Mr. Gulick is Chief of the Division of Program and Requirements, Office of Foreign Relief and Rehabilitation Operations, Department of State.

First, what we shall find abroad as our troops move in;
 Second, what we shall find at home; and
 Third, what first steps the Government of the United States is now taking to meet the situation.

What Shall We Find Abroad?

What shall we find when our allied armies push their drives toward the cruel, iron heart of the Axis slave system? What shall we find as our mechanized forces grind forward and liberate Europe, and China, and the Philippines, and the Dutch Indies? On this we do not have to guess. We already have seen enough behind the first front, in the territories freed by the Russian armies. Given time, the retreating Germans and Japs loot, pillage, and destroy, not solely in vengeance but to make rehabilitation all the harder and to handicap all their neighbors in their recovery after the war is over. In Kharkov sewing machines in private homes were found smashed and written instructions were found on German officers ordering the appointment of demolition squads in case of retreat and outlining the most effective destructive use of limited time. In cities and villages and farms fire is the chief instrument recommended.

So we will find terrific and systematic destruction. Undoubtedly this will occur primarily in the line of the military drives, and some of it will be caused by our own attack. But it will also be found in other areas if time permits.

The ordinary necessities and utilities of the cities like water, power, sewage, and transport will be wrecked. Gas and electricity will be scarce. The larger industries will be unable to operate and will have been out of commission for many months. Throughout the land transport will be blasted, confiscated, or worn out. This alone brings modern city life to a virtual standstill. Communication will be destroyed, except for rumors and rumors of rumors, with perhaps a hidden radio here and there.

Food supplies, which are meager even now, will be below the point of starvation. Some food will be in hiding in the rural areas, but most

peasants will not part with any of this for paper money! Even into an area which has seen no fighting in North Africa, a land which generally has plenty for export, we are now shipping some wheat for city people, all because internal transport is lacking and because money is not acceptable back in the hills thanks to the Nazi "new economic disorder". We will find the same thing, but worse, in all liberated areas, because there will be dire shortages as well. The livestock generally will be driven off or slaughtered before the United Nations forces come in. Crops, except some vegetables, will have been only partly planted for lack of incentives, manpower, seed, fertilizer, insecticide, and machinery.

And what of the people under such conditions? Will they come forward with outstretched hands, happy hearts, and resounding cheers to welcome their deliverers? No, they will cringe in fear of new suffering; they will be broken, sick, ragged, homeless, frightened human animals: the young who have known no childhood or youth or family life, the aged who have known no rest and tranquillity, women who have carried continuous hopeless burdens beyond their strength, and a few weakling men, munitions slaves, and released prisoners.

The great passion everywhere will be for food. Among the ordinary people in the ring of oncoming starvation in Europe and Asia which has been created by the German and Japanese oppressors, almost the only subject of conversation even now is food, food, food. When the Axis robbers have been driven out and the United Nations forces move in, the civilian need for food will be a craze, a wailing, a prayer.

And then there are the homesick; not counting the 4 to 6 million prisoners in army camps, or the displaced Russian peasants and city-dwellers, or the 2 to 4 million Frenchmen who moved south in France, the Germans have forcefully moved over 10 million people from their homes for industrial and agricultural slavery, for defense purposes, and as a means of altering their ethnographical distribution to suit the Nazi blueprint. It is safe to assume that most of these poor, driven people are already sick

at heart for their homes and kin and that the desire to move, to return to homes which are no more, to find the remnants of broken families will exceed all bounds once the war is over.

But in all this wreckage, physical and human, there will still be a foundation on which to build. That foundation is the basic will to survive, the fundamental determination to live, which dominates living creatures everywhere, and the equally basic social instincts of man. From these will spring hope, and faith, the willingness to work together in good-will as soon as there is a little food, a little decency, and a little chance that things will work out for a better world and a little honest leadership. Men have been through the valley of the shadow of war, starvation, and pestilence before. And before this they have come back to health, peace, and dignity. And it will happen again—slowly with incalculable suffering if we fail humanity and the world now; quickly and happily if we show the wit and the will to do the work that lies ahead.

Yes, I know, in all these lands there will be traitors and fifth columnists, many of them left there by the Axis to make trouble. There will be those who sneer at the four freedoms and who would be willing to start the war-cycle over again. But even with all this there will be a larger number of able and devoted men and women the moment there is hope. And there will be the foundations of organized life also, especially local governments, the churches, and the cooperatives. No amount of fighting can wipe these out.

The picture abroad is thus fairly clear. It may be worse than I have pictured it, or it may be less ghastly. This will depend on the nature and the speed of the Axis collapse. But, whatever happens, what has already been done makes it clear that the need of the people of the liberated areas will reach far beyond anything heretofore in the black history of war. If we are a great people, truly great in spirit as well as resources, the chance to prove it greatly is now upon us.

What Shall We Find at Home?

What problems shall we encounter here at home as we join with other nations in the work of relief and rehabilitation? I shall pass over this question briefly as I know the points I wish to make will need no emphasis before this audience. You know America as well as I.

I will begin then with the material handicaps which we face. First comes shipping. While the submarine war is still effective and the Army and Navy themselves are pressed to ship munitions, men, and supplies to all the battlefronts of all the world it will be extremely difficult to find shipping space which will be needed to deliver our relief supplies abroad. One ton of shipping is required to feed, clothe, and carry medical supplies for a family of four for a year. Such a problem looks easy until you start multiplying by the millions that are involved in this undertaking.

The next problem is the shortage of supply. Except for wheat, we shall find that the American people, the British, the Canadians, the Australians, and others will have to hold down their own consumption of food, clothing, and other supplies in order to share their comparative abundance to lift up the fallen people of re-occupied lands. Of course we shall plan to take surpluses for relief and to use what is least short. But it is perfectly clear that the surpluses alone are not enough.

Men can be kept alive on wheat, but they cannot be kept well without at least a small supply of the protective foods like meat, milk, and certain fruits and vegetables. There is an ample supply of wheat, but the protective foods are scarce and expensive. We thus face this question: Shall we ask the overworked peoples of the allied lands to sacrifice their own consumption of rationed meats, eggs, milk, fats, and other good things to make possible adequate relief diets? After the last war about 75 percent of the food supplied in international relief was wheat. But wheat alone is a dangerous diet for mothers and growing children and a poor diet to rehabilitate any population.

Medical supplies are another problem. Epidemics follow war in waves of typhus, dysentery, and other diseases invariably taking a larger toll than the fighting. This time medical science is far better prepared. The public-health doctors know how to control the situation provided we give them the supplies, the authority, and the manpower to act.

Another problem is bound to be that of determining how we shall go at agricultural and industrial rehabilitation. I think we must start from the very beginning to assist in furnishing seed, agricultural equipment, fertilizer, and tools, even at the expense of shipping space and further sacrifice at home, where these same seeds and tools are bound to be scarce.

Then there is the question of determining on what basis and how extensively we can send in raw materials and industrial machinery to revive once again the industrial economies which have been damaged or destroyed either by battle or by the scorched-earth policy which the Axis will follow. There can be little question that the initial stages of providing food, clothing, shelter, and medicines to stop deaths must be on a basis of clear-cut gifts. But the question of initial stages of rehabilitation involves tremendous problems which must be worked out as we move gradually into the post-war period.

"Politics" is still another aspect of our domestic problem. The American people are generous, but they are far away from knowing the needs of mankind and the cause-and-effect relations in world affairs. We don't like regimentation and rationing and are easily confused by ill-informed and power-seeking men into thinking that any foreign relief and rehabilitation is a senseless blunder. Of course, it could be a blunder if badly planned and done. The United States, with 130 million people, cannot take on the task of feeding and clothing all the 600 million people in the war-torn lands of the world. But there is no call for such an effort. The real need is manageable. It will not come all at once. We propose merely to help others to help themselves. Other nations will help,

especially if we take the lead. Relief is being planned so that it will not cut into our short supplies by more than 2 to 4 percent at any time. What a small price is this to lay the foundations for world regeneration and world peace! And when the war is over and war contracts are cut, might it not be a godsend to our factories to have large orders on hand for relief and rehabilitation goods to be sent abroad? And what will be a better distribution of the unneeded trucks and shoes and coats and blankets which the armies will then have on hand? Personnel will be a crucial problem from the very first. We hope and expect that ultimately an organization will be created to enable the United Nations to approach the over-all problem of relief and rehabilitation on a joint basis. Our conversations toward this end are under way, and progress is being made. While this cooperation is being worked out, however, we do not expect even on the present basis to send an army of thousands of relief workers into the liberated areas. We expect, rather, that while Americans will handle the principal administrative responsibilities and regulate distribution, the great bulk of operating personnel will be drawn from the extraordinarily rich personnel resources of the lands in which the work is to be carried forward. This is both desirable and inevitable. Such arrangements, however well worked out, will introduce problems of differing ideas as to standards and concepts and structure and a diversity of languages. World-wide relief under the conditions which we shall face is partly a large-scale business operation. It is careful scheduling, wise procurement, shipping, wholesale distribution, and financing. But it is much more than this; it is also an extremely delicate human undertaking, calling also for the sympathetic understanding which rebuilds the human soul and will at the same time that it sustains life and restores health.

World relief today is also a third thing. It is, what shall I say, a medium for communicating ideas and helping to prepare the suffering peoples to participate in the peace which will

follow victory. We are determined to free our relief administration from individual favoritism, discrimination, and politics, and this, in itself, should have a powerful reaction in demonstrating that we are working in good faith toward a new and better world. Nothing must stand in the way of the distribution of food, clothing, and medical service to those who are in need within each country without distinction of race, color, or previous condition of political allegiance within each country. We have a grave obligation to see to it that those people who actually operate the distribution of the necessities of life will operate on that basis—a basis founded upon an unshakable belief in human dignity, international order, and peace. The development of a staff of Americans and of other nationals who can undertake this work with a full understanding of its long-range significance, with a capacity for business efficiency, with the magic touch of human understanding, with the skill of modern social work, and with knowledge of two or more languages, is, you will agree, a problem of paramount importance and extraordinary difficulty.

It is only necessary to state these problems of transport, of supply, of policy, of politics, and of personnel to make it perfectly clear that the course of foreign relief here at home will call for wise decisions, intelligent leadership, and wide understanding.

What Action Has the Government Taken?

In the face of these facts and problems at home and abroad, our government, in concert with other governments, has taken a number of important preliminary steps.

Many months ago, the President and the Prime Minister of Great Britain reached the conclusion that the time had come to make plans and to get organized to deal with the relief and rehabilitation of liberated peoples. These decisions were reached at about the same time that military plans were laid for the major lines of military action. As long as a year and a half ago, the British set up the Inter-Allied Committee for Post-War Requirements, under Sir Frederick Leith-Ross, a distinguished economist,

administrator, and civil servant of His Majesty's Government. The eight friendly governments then sheltered in London also joined in the effort and set to work determining the problems and needs of their several peoples when they were once set free. At the same time our State Department made post-war relief a major interest. A year ago in June, Sir Frederick Leith-Ross came to the United States and the opportunity presented itself for British and American discussion of the problems of world relief and rehabilitation. Following this, important steps were taken to bring about the full collaboration of the other allied governments.

A number of further important steps have been taken, chief of which are the International Wheat Agreement, under which the United States, the United Kingdom, Canada, Australia, and Argentina have set up a world pool of wheat for relief; and the master lend-lease agreements which govern the liquidation of our war aid. Both of these are significant contributions to world relief.

Early in December 1942 Governor Herbert H. Lehman resigned his post in New York State and entered immediately on his duties as Director of Foreign Relief and Rehabilitation. The President and the Secretary of State insisted that the matter could not wait.

This new Office of Foreign Relief and Rehabilitation is within the State Department and has the benefit not only of the aid of other sections of the Department in its work but also of the specific studies which the Department has made. The Office of Foreign Relief and Rehabilitation has also taken over within the State Department certain of the personnel which was already at work on foreign relief and the inter-departmental committees which had been organized and which have contributed so much to the formulation of the supply requirements for the immediate relief needs which lie ahead.

The organization of the Office which Governor Lehman has accomplished is an indication of his concept of the undertaking. He has set up four major operating divisions. These are Field Operations, which will organize and supervise the work abroad; Personnel and

Training, which will pick, train, and send out to the field the men and women who will do the work; Supply and Transport, which will procure and turn relief supplies over to the field organization; and Finance and Budget, which will handle financial and other management problems. To help these major divisions the Governor has also set up a series of auxiliary and staff divisions to deal with legal affairs, public information, special problems, studies and reports, and programs and requirements. At this stage the entire organization is very small—less than 50 professional persons—and is devoting its main efforts to determining requirements, acquiring supplies, finding and training personnel, and getting organized. The only field operation now is in North Africa, where we have had the finest cooperation of the representatives of the Friends Service Committee and the Red Cross, both of whom are operating there under the aegis of the Office of Foreign Relief and Rehabilitation so that there may be complete unity of action. It is in Tunisia that we shall be confronted by the first real call for mass relief of the victims of war. This relief will begin directly behind our advancing lines and will be under complete military control. At the request of General Eisenhower, Mr. Fred Hoehler, the chief of the North Africa Mission of the Office of Foreign Relief and Rehabilitation, is actively working with the Army in organizing this relief for the civilian population of Tunisia. When the fighting is over, relief will become a responsibility of the civil government. The successful operation of this method of dealing with the needs of civilians in war-torn lands will be observed with deep interest.

SUMMARY

This brings me to the end of my remarks this evening. I have endeavored to turn your thoughts to three aspects of what lies ahead in relief and rehabilitation: First, the scene abroad; second, the problems at home; and third, the steps which are being taken by our government to be prepared to act effectively and promptly when the need arises. In spite of the

preparation which is being made I am sure that no one realizes all that is involved in this undertaking. It may well prove to be not only a colossal business of practical international politics and philanthropy but also the most profound spiritual cause to which mankind has ever dedicated itself. The decision rests with you and with others like you in America.

VISIT OF HERBERT H. LEHMAN TO LONDON

[Released to the press April 3]

Herbert H. Lehman, Director of Foreign Relief and Rehabilitation for the United States, announced on April 3 that at the suggestion of the President and the Secretary of State he will leave in a few days for a brief visit to London. Mr. Lehman said he is going to London to procure all the information available on problems connected with the relief of victims of war in areas liberated from Axis control. Mr. Lehman stated that he did not intend to carry on negotiations for a joint United Nations approach to the relief and rehabilitation problem, since such negotiations will be conducted here by the Secretary of State.

Mr. Lehman will be accompanied by Hugh R. Jackson, Special Assistant to the Director of Foreign Relief and Rehabilitation.

VISIT TO THE UNITED STATES OF THE BRITISH SECRETARY OF STATE FOR FOREIGN AFFAIRS

[Released to the press March 31]

The Secretary of State has received the following message from Mr. Anthony Eden:

"On leaving the United States after my brief but most fruitful visit, I wish to express my heartfelt gratitude for the unfailing kindness and openhearted friendliness with which I have

been everywhere received and in particular for your own most generous welcome. The talks I have had in Washington have shown that we think alike on the problems that face us. I return to London with a new understanding of the policies and ideals of your Government and people and a deepened conviction that close collaboration between us is an indispensable basis for the development of common action by the United Nations now and after the war."

The Secretary has replied as follows:

"I said good-bye to you at the airport on Tuesday with very real regret. Your presence in Washington and the occasions it offered for exchanges of views has been a very real contribution to the cause we have in common. Thank you for your friendly note. I send with this an expression of warm regards to you and the members of your party who so much contributed to the discussions in Washington."

Commercial Policy

POST-WAR COMMERCIAL POLICY OF THE UNITED STATES

Address by the Under Secretary of State¹

[Released to the press April 11]

I am glad to have been afforded the privilege at this particular time of addressing a meeting of the Chamber of Commerce of the State of New York.

We are passing through the gravest period in our national history. And while I am convinced that we and the other peoples of the United Nations have now reached that high plateau from which we can see in the distance the goal for which we fight, you and I know that the struggle in which we are engaged will still demand the utmost of which we are capable, and may still be far longer in duration than some of the more optimistic of our fellow citizens sometimes believe.

The American people are bravely and resolutely facing the great crisis of war. They are confident that the United Nations will obtain the unconditional surrender of the Axis forces to which we are pledged. They are eager to do all they can, to make any sacrifice, to hasten

that victory. But I want to speak to you briefly about another crisis that lies ahead, a crisis which no less than that on the many fighting fronts will determine the fate of the future generations of the people of the United States.

The greatest single interest, the greatest single objective of the American people is to prevent the recurrence of war, to create a reliable and permanent peace. The thing that lies nearest the hearts of all of us is to avoid again sacrificing our young men on the field of battle, to avoid the untold suffering, heartache, and bereavement of war, and to avoid the huge economic cost of war and the social chaos that inevitably follows in the wake of all wars.

I have no illusions whatever as to the difficulty of this task. In attempting to put an end to war we face a problem that the human race has never yet been able to solve. But of one thing I am perfectly sure: the greatest obstacle to success is defeatism—the assumption that nations are by nature so antagonistic, that foreign peoples are so untrustworthy, or that the technical problems of constructing peace machinery are so great that the task is a hopeless one. For my part I do not consider it hopeless. I believe that from the moment its hopelessness

¹ Delivered by the Honorable Sumner Welles before the Chamber of Commerce of the State of New York, Apr. 1, 1943, and broadcast through the facilities of station WEAJ.

is generally denied, from the moment people abandon a defeatist attitude and begin searching for ways to solve the problems presented rather than for reasons why they can't be solved, from that moment we will be well on the way to success in this greatest of all human undertakings.

And I am even more convinced that unless the American people are willing to assume their fair share of responsibility for the maintenance of peace in the world of the future, by joining in the exercise of police powers when that may be determined by international agreement to be necessary, and by participating in such other forms of international cooperation as may effectively prevent the rise of economic or political dangers, the peace of the world cannot be maintained.

When the war is over we shall be faced with domestic problems of the utmost difficulty. We have enormously expanded our productive facilities in many lines of industry and agriculture. We shall be faced with the problem of maintaining the present level of employment and at the same time re-absorbing millions of demobilized soldiers. As a result of the war we shall have incurred an enormous debt and our people must bear the heaviest burden of taxation in their history.

In the field of our international relations it will be necessary, in order to preserve the peace in which we have so much at stake, to supply our fair share of immediate relief for the millions of people left destitute in the wake of war. We must do this not only for humanitarian reasons but for reasons of purest self-interest. If we want the world in which we are to live to be a peaceful one, we must prevent international anarchy. There are no more disrupting forces than starvation and pestilence.

The provision of our fair share of relief will help to keep our productive facilities employed, but this will be at the expense of the already-burdened taxpayer. In his interest the relief period must be made as short as possible, which means that peoples in the devastated countries must be placed upon a self-reliant and a self-sustaining basis as rapidly as possible. From this standpoint wise trade policies are essential.

Foreign countries can attain a self-sustaining basis only if there are markets for their products. Full employment of our men and resources can be maintained only if there are markets for our products. In a larger sense, also, sound international trade policies are essential in relation to our vital interests. They are essential, above all, from the standpoint of constructing a durable peace.

Any organization whereby the nations who want peace will cooperate to enforce it would fall apart if the economic underpinning were unsound. Unemployment, poverty, and declining living standards will not be tolerated for long. Short-sighted measures will be resorted to. Peoples will in desperation take any action which promises momentary relief even if it means the destruction of world order and world peace.

From whatever standpoint our domestic or our international problems are approached, it becomes apparent that in the post-war world an expansion of international trade is indispensable. Consider for a moment in elementary terms why this must be so.

What would happen to the living standards of any of our States if their trade with the other States were shut off? The answer is obvious. Cut off any of our States from commercial intercourse with the other States, or seriously interfere with it, and you would create so grave a political issue as to threaten the destruction of the Union. Under such conditions would these United States continue to act as a unit?

Is it stretching the point in the least to ask similar questions about international trade? Suppose the trade of any one of the United Nations with the others were cut off or seriously disrupted. Would that nation, with unemployment lines growing and living standards sinking, cooperate whole-heartedly with the other United Nations in any common objective? It is highly significant that the tragic period between the wars was characterized by widespread trade warfare and by the fact that the spirit of cooperation among peace-loving nations was so weak that they did not unite against the Axis until war was actually upon them and their very existence was at stake.

My purpose in mentioning these considerations is to focus your attention on a question which must be acted upon by the present Congress of the United States. I refer to the fact that the Trade Agreements Act, which provides an effective means for international trade co-operation by the United States with other countries, in our own national interest, will expire in June unless the Congress shall meanwhile have renewed it. I doubt whether the vital importance of this legislation in relation to the crisis which lies ahead is fully realized by our people. Its importance goes beyond trade and employment; it is the first concrete test of whether we really intend to cooperate with the rest of the world in a matter that is essential not only to the full solution of our domestic problems but to the construction of a durable peace.

Let me recall to your minds the nature and significance of this piece of legislation. It was adopted in 1934 following the disastrous effects of successive tariff acts which closed this market to many foreign products without regard to the interests of other countries and without regard to the interests of American producers for export, of American consumers, and of the Nation as a whole. It was adopted at a time when our own policy and that of other countries consisted of cutthroat trade warfare, each country seeking by acts of economic desperation to benefit itself at the expense of others. It was enacted in a period of stark international trade anarchy which was part of a developing state of general anarchy in international affairs out of which grew the catastrophe of another world war. That was a period characterized by high and rising tariffs, quotas, exchange-controls, depreciated currencies, clearing agreements, discriminations, and every conceivable device for waging trade warfare that the ingenuity of man could devise. Our trade-agreements program represented one spark of sanity in a world outlook that seemed wholly and hopelessly dark.

We, as well as other countries, had seen our export industries all but destroyed, our surpluses backed up on the domestic market with ruinous effects on prices. Our export industries were sick and the buying power of the large

and important interests dependent on foreign trade was rapidly shrinking. We saw the sickness spread throughout our economy. The decline of our foreign trade had contributed materially to creating the worst depression in our history.

It was in these circumstances that the Trade Agreements Act of 1934 was passed. It authorized the Executive to enter into agreements reducing our tariffs, within specified limits, in return for corresponding reductions in the barriers erected against our trade by foreign countries. In brief, it sought to substitute commercial peace for trade war.

Under this act we have negotiated some 30 agreements during the last 9 years. In doing so we have approached the problem with the extreme care which circumstances so obviously required. We have been well aware of the fact that the tariff protection which an industry enjoys may have a very real relation to the welfare of the industry and the people employed in it. We have proceeded cautiously, realizing that drastic action might cause serious dislocations and affect the livelihood of thousands of Americans. In the administration of the act we have sought to deal with conditions as they are, not to apply any theoretical conception of the way things should be if we were able to go back 100 years and start our economic policies from scratch.

An effective interdepartmental organization has been developed with a view to bringing to bear upon each detailed question presented all the facts available. These facts are obtained from the Tariff Commission, the Department of Agriculture, the Department of Commerce, and other interested agencies of the Government, and interested private individuals. The approach is a highly selective, practical approach, not a broad, theoretical one. The Government experts who pool their knowledge in this work do not, as some thoughtless critics seem to imply, spend their time discussing the philosophy of Adam Smith or any other philosophy. They study the facts and considerations bearing on the question of what can be done to promote our foreign trade without creating serious disloca-

tions in the process. The formulation of the provisions of any trade agreement concluded pursuant to the act is based on a minute examination of the problem in detail, industry by industry, product by product.

I shall not burden you with the detailed procedural steps whereby recommendations as to the precise terms of these agreements are formulated for submission by the Secretary of State to the President, with a description of the great care that is taken to obtain and examine information and views submitted by business interests, or with the system of balances and checks whereby anything in the nature of arbitrary or capricious action is absolutely precluded.

If you examine the agreements for yourselves, you will find in them the evidence of the truth of what I have just said. For example, you will find evidence that the approach is detailed and selective, rather than sweeping and academic. You will find great variation in the extent of the reductions made in our tariff within the 50-percent limitation provided for in the law. You will find that the concessions made will vary from no reduction at all, that is to say a mere binding of the present duty or duty-free treatment, to 5, 10, 15 down to the full 50 percent, not a sweeping uniform reduction to the full extent permitted by the law such as might result from the non-selective application of any general formula or theory.

You will note also the changes made in classifications. Ask yourself why these have been made. You will find that the purpose is to segregate for duty-reduction those types or classes of a product the importation of which is of special importance to the particular foreign country concerned and of less importance to American production. In this way we have been able, where need arose, to promote our foreign trade while reducing to a minimum the competitive impact that would result if the breakdown in the classification had not been made. Ideas regarding such reclassifications have sometimes been obtained from the business interests concerned who have indicated categories of a product with the importation of

which they would not be seriously concerned. In other cases, the main reason for reclassification has been the common-sense desire to retain bargaining power for use in later agreements.

In examining the agreements you will also note that some of the duty-reductions apply only to specified seasons or to specified quantities (so-called "customs quotas"). While such reductions are designed to increase our foreign trade, they at the same time take into account, as the act says, "the characteristics and needs of various branches of American production". These words of the act have real meaning and importance. The particular situation in each industry concerned is carefully examined and fully taken into account in the negotiation of these agreements.

In connection with the administration of the act, let me refer to one point on which there is a good deal of misconception. People often speak of the trade agreements "made by the State Department". Failure to recognize the part played by the Tariff Commission and the Departments of Commerce, Agriculture, and Treasury in the formulation of these agreements does serious injustice to those agencies and to the numerous highly qualified and devoted experts whose work has made this program the success it has been. Indeed the factual material, the expert analysis of it, and the recommendations as to what action should be taken are predominantly the work of these other agencies rather than that of the State Department. The role of the Department of State is to mobilize and coordinate the resources and effort of all the other agencies of the Government that may be concerned and, with the assistance of these agencies, to perform its function of carrying on the international negotiations involved. The terms of the agreement which are the subject of the negotiations are not by any means solely of the State Department's making. Any offer to a foreign government with respect to a reduction in our tariff or any request to a foreign government for a reduction in a trade barrier against American exports, or any other provision of these agreements, no matter how detailed, is referred for recom-

mentation to the Trade Agreements Committee, upon which all of the agencies concerned are represented. The negotiations take place on the basis of a detailed draft prepared by this committee and approved by the Secretary of State and by the President. The State Department in the course of the negotiations does not deviate in the least from that draft without referring any proposed deviation to the Trade Agreements Committee and getting its decision upon it.

When agreement has been reached and the new rates are put into effect, the act provides that they "shall apply to articles the growth, produce or manufacture of all foreign countries", with, of course, appropriate provision for suspension in the case of any country which discriminates against our products. Under this provision we extend to all friendly foreign countries the concessions that we grant to any one, and we expect and ask them each to do the same for us. The only exception on our side is for our special preferential arrangement with Cuba. This provision constitutes the so-called "unconditional most-favored-nation clause", which could better be described as the clause against discrimination. It has been somewhat criticized, as a result of what I can only think of as a misunderstanding of its purpose and effect.

That purpose and effect is simply to prevent discrimination. The policy against discrimination in international trade was not invented at the time the Trade Agreements Act was passed. It goes back to our first commercial legislation, in the time of President Washington, and has been followed, with some vacillation, ever since. The recent occasion on which the policy was most thoroughly discussed was in the administration of President Harding, when Mr. Hughes was Secretary of State. The correspondence of 1923 and 1924 between Secretary Hughes, President Harding, Chairman Culbertson of the Tariff Commission, and Senator Lodge, then chairman of the Foreign Relations Committee of the Senate, has been published and is most illuminating. Mr. Hughes summed the whole matter up accurately in one of his incisive sen-

tences: "Either we are to have a policy of discrimination or a policy of obtaining immunity from discrimination." Needless to say, the second alternative was the course which was adopted. The Trade Agreements Act embodies the same view. I cannot believe that any businessman would prefer the other policy. For if we applied two tariff rates, depending on the place of origin of goods, we would discriminate against every country whose goods took the higher rate, and we could properly expect them to do the same toward us. I know of nothing so calculated to disrupt the orderly conduct of private trade as such a system of reciprocal discriminations.

There is one further general aspect of the Trade Agreements Act and of the agreements concluded under it to which I wish to invite your particular attention. This is a matter of first and fundamental importance to every American businessman. You will look in vain for any provision whereby the Government of the United States, as a government, undertakes to buy or to sell anything. You will look in vain for any provision whereby this Government or any agency of it participates in the conduct of business. The Trade Agreements Act is based upon the philosophy that it is the function of private enterprise to develop our foreign trade. It is based on the idea that the profit motive coupled with American efficiency, ingenuity, and enterprise will create for us the largest and best foreign commerce, from which the whole Nation will benefit. You will find from a thoughtful examination of the agreements concluded under this authority that all the Government has done has been to reduce in so far as practicable governmental obstacles to private trade, to create opportunities for American businessmen who may want to take advantage of such opportunities.

I may add that even during the unsettled period during which these agreements were negotiated, American businessmen did take advantage extensively of the opportunities created for them, with benefit to themselves, to our whole economy, and to the foreign countries with which the agreements were concluded.

There is no question whatsoever that both in the interest of American prosperity and living standards and in the interest of creating conditions conducive to peace we must foster trade with other countries. These are vital interests, for reasons which I have indicated. They are compelling and overriding considerations. Any person or party in a position of responsibility must face them. There has been vigorous but misguided opposition to these agreements by special interests who insist on a virtually complete monopoly of the domestic market and who object to facing any foreign competition at all.

If the effort to develop a thriving foreign trade in the traditional American way, as contemplated in the Trade Agreements Act, should be thwarted by such opposition, other ways inevitably will have to be found to meet the overriding requirements I have mentioned. Doubtless there are some who would favor actual government trading. If private interests will not let private enterprise do what is essential in the national interest, then pressure of necessity will force the adoption of other methods. For my part, I consider it of vital importance to the continued functioning of this democracy that American foreign trade, as well as other economic activities, be handled in the American way.

I am revealing no state secret when I say to you that one of the gravest doubts which exists in the minds of our partners of the United Nations today is the doubt as to what the policy of the United States will be when the victory is won. They remember that when the victory of 1918 had been achieved, this great country of ours withdrew from almost every form of practical cooperation with its former allies in the great task of constructing that kind of world in which we and all other peace-loving and liberty-loving peoples could securely and profitably live. In very truth, we won the war and made no effort to win the peace.

Our allies are asking themselves now whether we will again follow that same course. In a very real sense the decision that will be made with regard to the renewal of the Trade Agreements Act will be regarded by peoples throughout the world as an acid test of our future in-

tentions. They will see in that decision a clear indication as to whether the people of the United States have determined upon a policy of international cooperation for the future or whether they will once more turn back to that road of isolation which leads to inevitable disaster.

The Department

APPOINTMENT OF OFFICERS

Mr. James H. Keeley, a Foreign Service officer of class II, was designated Chief of the Special Division on March 27, 1943 (Departmental Order 1149). Mr. Joseph C. Green, Special Assistant to the Secretary of State, will assist in the preparation of special studies in the field of international security (Departmental Order 1150).

Publications

DEPARTMENT OF STATE

Inter-American Highway: Agreement Between the United States of America and Costa Rica—Effected by exchange of notes signed at Washington January 16, 1942. Executive Agreement Series 293. Publication 1887. 2 pp. 5¢.

Agricultural Experiment Station in El Salvador: Agreement Between the United States of America and El Salvador Approving Memorandum of Understanding Signed October 21, 1942—Effected by exchange of notes signed November 24 and December 2, 1942; effective October 21, 1942. Executive Agreement Series 285. Publication 1889. 16 pp. 10¢.

Education: Agreement Between the United States of America and Peru—Effected by exchange of notes signed at Washington August 4 and 24, 1942. Executive Agreement Series 298. Publication 1901. 3 pp. 5¢.

OTHER AGENCIES

Agricultural Resources of Madagascar. August 1942. (Office of Foreign Agricultural Relations, Department of Agriculture.) Foreign Agriculture Report 7. ii, 21 pp. illus. Processed. Free.

Las Americas, 1943. Publicación preparada por la Unión Panamericana para la celebración del Día de las Americas, el 14 de abril. Pan American Union. iv, 36 pp. 10¢ (paper).

Annual Report of the American Historical Association, 1941 (in three volumes). Vol. III: List of doctoral dissertations in history now in progress at universities in the United States and the Dominion of Canada, with an appendix of other research projects

in history now in progress in the United States and Canada. December 1941. H. Doc. 512, vol. 3, 77th Cong. viii, 59 pp. Free.

Legislation

Communication from the President of the United States transmitting estimate of appropriation for the Office of the Coordinator of Inter-American Affairs of the Office for Emergency Management for the fiscal year 1944, amounting to \$33,860,000, and contract authorization for fiscal years 1944 and 1945, amounting to \$18,000,000. H. Doc. 148, 78th Cong. 12 pp.

U. S. GOVERNMENT PRINTING OFFICE: 1943

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C.
Price, 10 cents - - - - Subscription price, \$2.75 a year

PUBLISHED WEEKLY WITH THE APPROVAL OF THE DIRECTOR OF THE BUREAU OF THE BUDGET

